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**State of Montana  
Office of the Legislative Auditor**

**REPORT TO THE LEGISLATURE  
GREAT FALLS VOCATIONAL-  
TECHNICAL CENTER**

**Financial-Compliance Audit for the  
Two Fiscal Years Ended June 30, 1985**

**PLEASE RETURN**

This report contains 13 recommendations for improvement of the center's operations. Major issues addressed in the report include:

- ▶ State Accounting Policy Compliance
- ▶ Property, Plant, and Equipment
- ▶ Legal Compliance (state and federal)

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## FINANCIAL-COMPLIANCE AUDITS

Financial-compliance audits are conducted by the Office of the Legislative Auditor to determine if an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations which could have a significant impact on the financial schedules. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States General Accounting Office.

Financial-compliance audit staff members hold degrees with an emphasis in accounting. Most staff members hold Certified Public Accountant (CPA) certificates.

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Office of the Legislative Auditor  
GREAT FALLS VOCATIONAL-TECHNICAL CENTER

Financial-Compliance Audit for the  
Two Fiscal Years Ended June 30, 1985

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STATE OF MONTANA

# Office of the Legislative Auditor

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SCOTT A. SEACAT  
LEGISLATIVE AUDITOR

May 1986

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The Legislative Audit Committee  
of the Montana State Legislature:

This is our financial-compliance audit report on the Great Falls Vocational-Technical Center's financial activity for fiscal years 1983-84 and 1984-85. The center's written response to audit recommendations is included in the back of the audit report.

We thank the director and his staff for their cooperation and assistance throughout the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat", written over a horizontal line.

Scott A. Seacat  
Legislative Auditor



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ELECTED AND ADMINISTRATIVE OFFICIALS  
GREAT FALLS VOCATIONAL-TECHNICAL CENTER

Willard R. Weaver	Director
Mary Ellen Baukol	Business Manager

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Ed Argenbright	Superintendent and Executive Officer of Vocational Education
Gene Christiaansen	Assistant Superintendent for Vocational Education Services

GREAT FALLS SCHOOL DISTRICT #1

Board of Trustees

	<u>Term Expires</u>
Claudia Steen, Chairperson	1987
George Walker, Vice Chairperson	1986
Shirley M. Gray	1986
Dixie Swanson	1986
Ronald Eustance	1987
Donald Hamilton	1987
Robert McIntyre	1988

Administrative Officials

Jerry Weast	Superintendent
Earl B. Lamb	Assistant Superintendent for Business



## SUMMARY OF RECOMMENDATIONS

This listing serves as a means of summarizing the recommendations contained in the report and the audited agency's reply. This report addresses thirteen recommendations which if implemented will reduce accounting and reporting errors and improve compliance with state and federal laws and regulations.

### Page

#### Recommendation #1

The center:

A. Record scholarships in the proper fund. 4

Center Response: Concur. See page 38.

B. Record the activity for professional development grants in the proper subfunds. 4

Center Response: Concur. See page 38.

#### Recommendation #2

The center consistently comply with state policy for accrual of expenditures. 5

Center Response: Concur. See page 38.

#### Recommendation #3

The center establish procedures to ensure endowment fund activity is recorded on SBAS. 6

Center Response: Concur. See page 38.

#### Recommendation #4

The center allocate the bookstore manager's salary to auxiliary fund operations. 7

Center Response: Concur. See page 38.

## SUMMARY OF RECOMMENDATIONS (Continued)

### Page

#### Recommendation #5

The center:

- A. Take a complete physical inventory of all equipment at least every two years. 8

Center Response: Concur. See page 39.

- B. Record all equipment with a value greater than \$200 on PAMS. 8

Center Response: Concur. See page 39.

- C. Implement procedures to ensure all equipment purchased is evaluated to determine if it should be recorded on PAMS. 8

Center Response: Concur. See page 39.

- D. Comply with property management standards issued by the federal government for property acquired with federal funds. 8

Center Response: Concur. See page 39.

#### Recommendation #6

The center compute a student's cost of education on an academic year. 10

Center Response: Concur. See page 39.

#### Recommendation #7

The center compute awards based on students' scheduled attendance. 11

Center Response: Concur. See page 39.

#### Recommendation #8

The center obtain and review financial aid transcripts for students who indicate previous attendance at another postsecondary institution. 12

Center Response: Concur. See page 40.

## SUMMARY OF RECOMMENDATIONS (Continued)

### Page

#### Recommendation #9

The center ensure the GSL application is adequately supported by documentation in the student's file.

13

Center Response: Concur. See page 40.

#### Recommendation #10

The center establish procedures to ensure lenders are notified within 60 days when a GSL recipient's enrollment status changes.

13

Center Response: Concur. See page 40.

#### Recommendation #11

The center:

A. Institute cash management policies to eliminate excessive cash balances.

14

Center Response: Concur. See page 40.

B. Determine eligibility for letter-of-credit status with the Department of Education and, if eligible, obtain a letter-of-credit for student financial aid programs.

14

Center Response: Concur. See page 40.

#### Recommendation #12

The center recover the federal maximum allowable administration costs of student financial aid programs.

15

Center Response: Concur. See page 41.

#### Recommendation #13

The center establish written agreements with all off-campus CWS employers.

16

Center Response: Concur. See page 41.



## INTRODUCTION

We performed a financial-compliance audit of the Great Falls Vocational-Technical Center (GFVTC) for the two fiscal years ended June 30, 1985. Our audit objectives were to:

1. Present an opinion as to whether the financial schedules for the two fiscal years ended June 30, 1985, prepared from the center's Statewide Budgeting and Accounting System (SBAS) records, are fairly presented in accordance with state accounting policy;
2. Determine if the center complied with applicable state and federal laws and regulations;
3. Make recommendations for improvement in the management and internal controls of the center; and
4. Verify the reasonableness of student contact hours and enrollment statistics reported by the center to the Office of the Superintendent of Public Instruction.

This report contains 13 recommendations to the center. These recommendations address areas where the center can improve management, financial reporting, and compliance with laws and regulations. Other areas of concern deemed not to have a significant effect on the successful operations of the center are not specifically included in the report, but have been discussed with management.

In accordance with section 5-13-307, MCA, we analyzed the costs of implementing the recommendations made in this report. Each report section discloses the cost, if significant, of implementing the recommendation.

## BACKGROUND

The Montana Legislature established the Great Falls Vocational-Technical Center in 1969 to offer employment training in vocational and technical fields. At that time the Great Falls School District had established, in five different locations throughout the city, postsecondary programs offering training through adult education, licensed practical nursing, dental assisting, and food services. In

1971, these programs were physically consolidated into two elementary schools and administered as the Great Falls Vocational-Technical Center. Currently the center operates in a building which was completed during 1977. The center's building was financed with \$2,000,000 of state funds and \$2,000,000 of local funds.

The Great Falls Vocational-Technical Center is one of five state-designated postsecondary vocational-technical centers. The center is governed by the Office of Public Instruction and the local board of trustees of the Great Falls Public Schools - District #1.

The center enrolled 563 students in fall quarter of 1983 and 507 students in fall quarter of 1984. Footnote 6 on page 34 contains a schedule of full-time equivalent students for the two fiscal years ended June 30, 1985. The center offered the following programs during our audit period:

- |                               |                                  |
|-------------------------------|----------------------------------|
| -- Bookkeeping/Accounting     | -- Legal Secretary               |
| -- Data Entry Operator        | -- Legal Typist/Transcriptionist |
| -- Mid-Management             | -- Medical Secretary             |
| -- Computer Console Operation | -- Medical Transcriptionist      |
| -- Word Processor Operation   | -- Secretary/Stenographer        |
| -- Dental Assistant           | -- Dental Receptionist           |
| -- Nurse Attendant/Orderly    | -- Auto Body Painting            |
| -- Practical Nurse            | -- Auto Body Repair              |
| -- Respiratory Technician     | -- Front End Alignment           |
| -- Respiratory Therapy        | -- Watchmaking and Jewelry       |
| -- Clerk Typist               | -- Dinner Cook                   |
| -- General Office Clerk       |                                  |

#### PRIOR AUDIT RECOMMENDATIONS

The last audit of the center was performed by our office for the two fiscal years ended June 30, 1983, and contained 17 recommendations which are still applicable to center operations. The center concurred with all recommendations. Of the 17 recommendations, the center implemented 11, partially implemented 3, and did not implement 3. Those recommendations still applicable to the center but not fully implemented are discussed in this report as follows:



1. Fund classification for outside scholarship money (page 4).
2. Endowment activity recorded on SBAS (pages 5 and 6).
3. Compute students cost of education on an academic year (page 10).
4. Compute financial aid awards based on students scheduled attendance (pages 10 and 11).
5. Obtain required student financial aid transcripts (pages 11 and 12).
6. Maintain minimum cash balances sufficient to finance current disbursements (pages 13 and 14).

#### STATE ACCOUNTING POLICY

During our audit we noted several instances of transactions not recorded on the center's accounting records in accordance with state accounting policy. Since our last audit of the center, several significant changes in personnel have occurred. The center hired a new director in July 1985, the former assistant director retired and was not replaced, and a business manager was hired in August 1984 for the first time in the center's history. As a result of these personnel changes, some changes in methods of accounting are to be expected.

Another factor related to the change in personnel, which contributed to the problems noted in this report, was the result of a lack of SBAS training for personnel responsible for processing and authorizing documents. We recommended more SBAS training in our last audit. We noted improvement since our last audit, but more training is necessary. As noted in our audit opinion letter beginning on page 19, several problems have a material impact on the center's financial schedules and affect the degree of reliance that can be placed on the amounts presented. These instances are discussed in the following report sections.

### Fund Classification

We noted two instances where the center was not recording activity in the proper funds.

Scholarships and grants are given by various groups to center students. The center acts as an agent for these groups in that they hold the money and then distribute it to the student designated by the group. When the donor selects the student recipient, state policy requires this activity be recorded in an Agency Fund. The center currently records this activity in the Current Restricted Subfund. As a result, fiscal year 1983-84 revenues are overstated by \$6,156 and expenditures are overstated by \$5,731 in the Current Restricted Subfund. In the prior audit we also recommended the center record these scholarships and grants in the Agency Fund.

The center's grant schedule on page 36 includes professional development grants. These grants are used for center personnel to attend seminars. The grants are funded 30 percent with money from the center and 70 percent with federal grant money. The instructors' attendance was paid for 100 percent out of the Unrestricted Subfund. When the federal portion was received, 70 percent, \$2,922, of the original expenditure was abated (reversed) out of the Unrestricted Subfund. This results in the 70 percent federal grant money received not being included in revenue or expenditure activity for the center in fiscal year 1984-85. The revenues and expenditures of the federal portion should be included in the Current Restricted Subfund as this money is restricted as to use by an entity outside the center.

In addition, one instructor agreed to pay the center's 30 percent of the cost of attending a seminar. The cost of this activity is not reflected in any of the center's financial schedules.

### RECOMMENDATION #1

WE RECOMMEND THE CENTER:

- A. RECORD SCHOLARSHIPS IN THE PROPER FUND.
- B. RECORD THE ACTIVITY FOR PROFESSIONAL DEVELOPMENT GRANTS IN THE PROPER SUBFUNDS.

### Expenditure Accruals

State policy requires that all valid obligations be accrued as expenditures by the end of the fiscal year. At fiscal year-end 1983-84 the center had a valid obligation to purchase \$2,669 of equipment with Current Restricted Subfund money. State policy states the anticipated cost of equipment is to be accrued in the fiscal year in which budgeted. It also states a purchase order, creating a valid obligation, must be issued in the fiscal year in which budgeted if the anticipated expenditure is to be accrued in that fiscal year. The center had an agency purchase order, dated May 1, 1984, for the equipment. The center did not accrue this item at year-end and subsequently improperly recorded the expenditure as fiscal year 1984-85 activity. In addition, when the expenditure was recorded the center improperly charged operating expenses rather than equipment.

The center should also have accrued approximately one week's pay for all hourly employees' wages (approximately 12 hourly employees) in each fiscal year in our audit period. Center personnel accrued the salaries of two administrative employees at fiscal year-end 1984-85. However, the center did not accrue any salaries at fiscal year-end 1983-84. The center's accrual policies should be in accordance with state policy and consistent from year to year to ensure comparability of information.

### RECOMMENDATION #2

WE RECOMMEND THE CENTER COMPLY WITH STATE POLICY FOR ACCRUAL OF EXPENDITURES.

### Endowment Activity

In December 1981, the center received \$11,320 "to be invested and the earnings used as endowment scholarships for the Nursing Program." The endowment is invested by the school district. Since the school district invests the endowment funds for the

center, all information on the earnings of the investment is received by the school district. When scholarships are to be issued the center contacts the school district and the district sends checks payable to the designated students drawn on the investment account. Due to a lack of communication between the center and the school district, the center only recorded part of the investment earnings and did not record any of the scholarship disbursement activity on the center's records in both fiscal years 1983-84 and 1984-85. We recommended in our last audit that the center record endowment activity on its accounting records.

The endowment had the following activity:

	1983-84		1984-85	
	Revenue	Expenditure	Revenue	Expenditure
Actual	\$2,054	\$1,000	\$2,416	\$1,000
On SBAS	271	-0-	620	-0-
Misstatement	1,783	1,000	\$1,796	1,000

### RECOMMENDATION #3

WE RECOMMEND THE CENTER ESTABLISH PROCEDURES TO ENSURE ENDOWMENT FUND ACTIVITY IS RECORDED ON SBAS.

### Auxiliary Fund Expenditures

The manager of the center bookstore is a center instructor who spends a portion of his time supervising bookstore operations. An allocation of the bookstore manager's salary should be made to bookstore expenditures on a consistent basis. This would increase management's ability to analyze bookstore profit or loss.

In fiscal year 1984-85 the bookstore manager's salary was allocated. However, in fiscal year 1983-84, no allocation was made to bookstore expenditures for a portion of the bookstore manager's salary. This overstates Current Unrestricted Fund personal services and understates Auxiliary Fund personal services expenditures by approximately \$3,500 in fiscal year 1983-84.

#### RECOMMENDATION #4

WE RECOMMEND THE CENTER ALLOCATE THE BOOKSTORE MANAGER'S SALARY TO AUXILIARY FUND OPERATIONS.

#### PROPERTY, PLANT, AND EQUIPMENT

The center could improve internal controls and compliance with state policy and federal regulations concerning property, plant, and equipment. We noted problems in three areas:

1. The center has not taken a complete physical inventory of equipment in over two years. A complete physical inventory is required biennially per the Montana Operations Manual (MOM).
2. The center implemented a policy during fiscal year 1983-84 of recording on the Property Accountability Management System (PAMS) equipment items with a value greater than \$300. According to state policy, all equipment greater than \$200 shall be recorded on PAMS. A former center employee incorrectly believed state policy changed, requiring all items over \$300 be recorded on PAMS.
3. We also noted that the center had no policies or procedures to ensure that all equipment purchased by the center was input to the Property Accounting Management System (PAMS) and SBAS. This internal control weakness could result in equipment not recorded on the center's accounting records. Controls could be improved if the center reviewed and analyzed the property action required list it receives each month as part of its SBAS documents.

It was not cost effective for us to determine the actual dollar value of the potential misstatements from the three control weaknesses noted above. However, we did perform analytical review procedures and determined the misstatement caused by the above internal control weakness was not material for fiscal years 1983-84 or 1984-85.

During our examination of federal grants we noted some of the property purchased with grant moneys was not included on PAMS nor was it separately identified as having been purchased with federal funds. Center officials stated they were not sure how

to identify or tag this equipment. State policy (MOM section 2-1710) provides guidelines. Office of Management and Budget (OMB) "Circular 110," Attachment N, states all property purchased in whole or in part with federal funds or whose cost was charged to a project supported by a federal grant shall maintain records that indicate the source of the property and shall mark the property so it may be identified as having been acquired with federal moneys.

#### RECOMMENDATION #5

WE RECOMMEND THE CENTER:

- A. TAKE A COMPLETE PHYSICAL INVENTORY OF ALL EQUIPMENT AT LEAST EVERY TWO YEARS.
- B. RECORD ALL EQUIPMENT WITH A VALUE GREATER THAN \$200 ON PAMS.
- C. IMPLEMENT PROCEDURES TO ENSURE ALL EQUIPMENT PURCHASED IS EVALUATED TO DETERMINE IF IT SHOULD BE RECORDED ON PAMS.
- D. COMPLY WITH PROPERTY MANAGEMENT STANDARDS ISSUED BY THE FEDERAL GOVERNMENT FOR PROPERTY ACQUIRED WITH FEDERAL FUNDS.

#### LEGAL COMPLIANCE

##### Introduction

We have examined the financial schedules of the Great Falls Vocational-Technical Center for each of the two fiscal years ended June 30, 1984 and 1985, and have issued our report thereon dated February 21, 1986. Our examination was performed in accordance with generally accepted auditing standards and Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Accordingly, we reviewed the state and federal laws and regulations which could have a material impact on the center's financial operations.



We performed our audit of federal moneys in accordance with the requirements in the U.S. Office of Management and Budget "Circular A-110," "Circular A-21," and the March 1984 student aid audit guide prescribed by the U.S. Department of Education. Circular A-110 provides for audits of financial operations, including compliance with certain provisions of federal law and regulations. Circular A-21 discusses allowable costs.

The Great Falls Vocational-Technical Center was a grantee/sub-grantee receiving funds from the agencies listed on page 36. We reviewed the major compliance areas for the following:

1. Respiratory Technology Grant
2. Interpreter Grant
3. Satellite Dish
4. Guidance Grant
5. Career Assessment Grant
6. Pell Grants
7. Supplemental Educational Opportunity Grants (SEOG)
8. College Work-Study (CWS)
9. Guaranteed Student Loans (GSL)

Areas reviewed included: 1) eligibility determination; 2) specific grant provisions; 3) cost allowability; and 4) grantor reports.

The report sections on pages 10 through 16 discuss instances of noncompliance with federal and state regulations which were noted during our audit. We also noted one exception to federal regulations and subgrant agreements as discussed in the section on Property, Plant, and Equipment on page 7.

In our opinion, except for those instances of noncompliance referred to above, the center complied with applicable federal and state laws and regulations for the transactions tested. For those transactions not tested, nothing came to our attention in connection with our examination that caused us to believe the center was not in compliance with applicable laws and regulations.

## Overawards

### Cost of Education

For all students with campus-based aid, the center computed the cost of education (tuition and living expenses) on a twelve-month budget when most of these students actually attended school for nine months (three quarters) or less. This procedure overstates the student's cost of education and can result in overawards to students because the student's need is inflated. Based on documentation available in the student financial aid files during our audit work, we found two out of twenty students tested who received a total of \$273 in overawards because cost of education was improperly computed.

Center personnel indicated they thought that since classes were taught 12 months per year and the student had the opportunity to go all 12 months the cost of education should be based on 12 months. Federal regulations define an academic year as at least three quarters or at least 900 clock hours of training. Federal regulations state a student's cost of education should be based on the costs for an academic year and disbursed in equal payments. Although, if the student is only attending school for three quarters, the cost of education should be computed based on the three quarters as the academic year. If a student attends summer session or a fourth quarter, the student should separately apply for aid for that quarter. This was a prior audit recommendation.

### RECOMMENDATION #6

WE RECOMMEND THE CENTER COMPUTE A STUDENT'S COST OF EDUCATION ON AN ACADEMIC YEAR.

### Pell Overaward

We noted two instances out of twenty tested where three-quarter time students received Pell awards based on full-time enrollment status. One three-quarter time student in fall quarter



1983 and one three-quarter time student in fall quarter 1984 received Pell awards of \$329 and \$341, respectively, resulting in overawards of \$82 in fiscal year 1983-84 and \$85 in fiscal year 1984-85. These Pell overawards should be refunded to the federal government.

A student is required to carry 300 hours of classes per quarter to be full-time. Federal regulations define an academic year as a period of time in which a full-time student is expected to complete at least 900 clock hours of training for each program at an institution using clock hours. Summer session is a special session and should not be included in an academic year. An academic year consists of three quarters, each quarter having 300 hours. The students noted above did not meet the 300 hour minimum. Center personnel indicated the individuals were so close to the limit (288 hours each) they were considered to be full-time. A similar problem was noted in the prior audit report on the center.

#### RECOMMENDATION #7

WE RECOMMEND THE CENTER COMPUTE AWARDS BASED ON STUDENTS' SCHEDULED ATTENDANCE.

#### Transcripts

We noted one instance out of eight tested where the student previously attended another institution and the center could not provide evidence a financial aid transcript was requested. This instance related to fiscal year 1983-84.

Federal regulations require the center to obtain a financial aid transcript from the previous institution if a student indicates they have attended another post-secondary institution. The center must review the transcript, which documents the status of prior awards to the student, and document the review in the student's file to determine if the student is still eligible for financial aid. If a student was previously overawarded financial aid, the student may not be eligible to receive aid from the center. In addition,

the center must be aware of aid received by the student from other institutions to avoid awarding over the maximum allowable aid to be given a student. This same problem was noted in a prior audit recommendation.

RECOMMENDATION #8

WE RECOMMEND THE CENTER OBTAIN AND REVIEW FINANCIAL AID TRANSCRIPTS FOR STUDENTS WHO INDICATE PREVIOUS ATTENDANCE AT ANOTHER POSTSECONDARY INSTITUTION.

Guaranteed Student Loan (GSL)

Support Documentation

The center's financial aid officer is required to complete a section on GSL applications to aid the commercial lenders in making loan decisions. We noted one instance of eight tested where information provided by the center on the GSL application did not agree with the support in the student's file. For the instance noted:

	<u>GSL Application</u>	<u>Support Documents in Student Financial Aid File</u>
Adjusted Gross Income	\$16,088	\$13,626 (Tax Form)
Other Student Financial Aid	-0-	905 (Pell Grant)

The financial aid officer indicated he probably adjusted the income upward based on additional information. No documentation of additional information existed in the student's file. The financial aid officer also indicated the Pell grant may not have been included on the form because the student applied for the Pell grant after the GSL application was submitted. An estimate of other aid is now included on the GSL applications.

#### RECOMMENDATION #9

WE RECOMMEND THE CENTER ENSURE THE GSL APPLICATION IS ADEQUATELY SUPPORTED BY DOCUMENTATION IN THE STUDENT'S FILE.

#### Enrollment Status

Federal regulations require institutions to report changes in enrollment status, within 60 days, to the lender or the guarantee agency for students who receive a Guaranteed Student Loan (GSL).

We noted one out of seven students' files tested had a change in enrollment status and the center had not submitted a change in status form to either the lender or the guarantee agency within the 60-day time limit.

#### RECOMMENDATION #10

WE RECOMMEND THE CENTER ESTABLISH PROCEDURES TO ENSURE LENDERS ARE NOTIFIED WITHIN 60 DAYS WHEN A GSL RECIPIENT'S ENROLLMENT STATUS CHANGES.

#### Cash Management

We noted excessive cash balances in the Pell grant, Supplemental Educational Opportunity Grant (SEOG) and College Work-Study (CWS) programs. Excess cash was a problem addressed in the prior audit report. For the 24 months of our audit period we found excess cash (cash at the end of a month exceeds the subsequent months total expenditures by more than \$1,000) in 20 of the 24 months audited.

Center officials explained the excess cash problem was due to the time lag from the request to the receipt of funds from the federal government. Center personnel stated the time lag required the center to project and request their cash needs several months in advance in order to ensure sufficient cash was available. Center officials cited one example where funds requested in November were not received until the following February.

The March 1984 student financial aid audit guide indicates if the institution is on the cash request system, as the center is, the amount of cash in the accounts should not exceed one month's need. Schools such as the center, receiving annual advances in excess of \$120,000, and for which a continuing relationship with the Department of Education has existed for at least one year, may be financed through a letter-of-credit rather than the monthly cash request system. The letter-of-credit system should help eliminate the delay in receiving the funds.

In July 1985 the center prepared a warrant to return \$10,999 in excess cash for the Pell program. To determine where to mail the warrant, center personnel called U.S. Department of Education, Certification and Program Review personnel. The Department of Education personnel verbally directed the center to keep the cash as it would cost more to process the return and re-issue the cash to a subsequent award period than could be earned on the money by the federal treasury. Our office twice, verbally verified with Department of Education (DofE) personnel that these instructions were given to the center. However, DofE personnel declined to send us written documentation of these directions, indicating the letter of the law would require returning the excess cash.

#### RECOMMENDATION #11

##### WE RECOMMEND THE CENTER:

- A. INSTITUTE CASH MANAGEMENT POLICIES TO ELIMINATE EXCESSIVE CASH BALANCES.
- B. DETERMINE ELIGIBILITY FOR LETTER-OF-CREDIT STATUS WITH THE DEPARTMENT OF EDUCATION! AND, IF ELIGIBLE, OBTAIN A LETTER-OF-CREDIT FOR STUDENT FINANCIAL AID PROGRAMS.

#### Administrative Costs

Federal regulations allow the center to claim an administrative cost allowance which may be used for administrative expenses incurred in the student aid programs. During the audit period

the center did not claim the maximum allowance amount provided by regulations. As a result, additional state funds were required to pay student aid administrative expenses. This is illustrated by the following:

	Fiscal Year <u>1983-84</u>	Fiscal Year <u>1984-85</u>
Maximum Administrative Allowance	\$1,387	\$1,270
Amount claimed	<u>811</u>	<u>889</u>
Additional state funds utilized to support student aid administra- tion	<u>\$ 576</u>	<u>\$ 381</u>

The administrative costs of the student aid programs which are not funded by the federal allowance must be paid from the Current Unrestricted Subfund, which receives support from the General Fund appropriations. Therefore, by not claiming the maximum federal cost allowance, the center required an additional \$957 General Fund support during the two fiscal years.

Federal regulations state that the institution may expend program funds for awards to students and limited administrative expenses. Center officials explained they did not claim the maximum federal administrative cost allowance because they awarded the money to students. The allowance claimed was the difference between the federal authorization and student awards. However, the center could have sought an amended federal authorization.

#### RECOMMENDATION #12

WE RECOMMEND THE CENTER RECOVER THE FEDERAL MAXIMUM ALLOWABLE ADMINISTRATION COSTS OF STUDENT FINANCIAL AID PROGRAMS.

### Off-Campus College Work-Study (CWS)

The center does not have a written agreement with an off-campus employer employing a CWS student. Center officials indicated this was an oversight. The Code of Federal Regulations states "The institution must enter into a written agreement with . . . a non-profit organization that employs its students. The agreement must set forth the CWS work conditions . . ."

#### RECOMMENDATION #13

WE RECOMMEND THE CENTER ESTABLISH WRITTEN AGREEMENTS WITH OFF-CAMPUS CWS EMPLOYERS.

### INTERNAL CONTROL

We have examined the financial schedules of the Great Falls Vocational-Technical Center for the two fiscal years ended June 30, 1984, and 1985. We issued our opinion dated February 21, 1986, on these schedules. As part of our examination, we made a study and evaluation of the system of control of the center. Our study evaluated the system as required by generally accepted auditing standards and Standards for Audit of Governmental Organizations, Programs, Activities, and Functions for financial-compliance audits.

We classified the controls in the following categories:

1. revenue, cash receipts;
2. expenditures, payables, and accruals;
3. payroll;
4. grants;
5. fixed assets;
6. inventories; and
7. student financial aid.

We evaluated the significant controls identified in the revenue, expenditures, payroll, inventories, and student financial aid categories. Other auditing procedures were applied to grants maintained by the center because we concluded that expanded substantive audit testing was more efficient than relying on the internal



control system. Our preliminary review of fixed asset internal control indicated material control weaknesses. Therefore, we chose not to rely on fixed asset controls.

The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the center's financial schedules. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of the Great Falls Vocational-Technical Center is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial schedules in accordance with state accounting policies. Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Great Falls Vocational-Technical Center taken as a whole or on any of the categories of control identified in the first paragraph. However, our study and evaluation disclosed conditions that could result in financial schedule errors that could be difficult to detect.

These conditions relating to state accounting policy and property, plant, and equipment are discussed beginning on pages 3 and 7, respectively.

These conditions were considered in determining the nature, timing, and extent of the audit tests of the financial schedules. This report on internal control does not affect our opinion on the financial schedules.

The preceding five paragraphs are intended solely for the use of management and the Legislature and should not be used for any other purpose. This restriction as to use is not intended to limit the distribution of this document which, upon presentation to the Legislative Audit Committee, is a matter of public record.



AUDITOR'S OPINION LETTER  
AND CENTER FINANCIAL SCHEDULES

## SUMMARY OF AUDIT OPINION

The auditor's opinion issued in this report is intended to convey to the reader of the financial schedules the degree of reliance that can be placed on the amounts presented.

We took opinion exceptions on the schedules listed in paragraph 8, pages 20 and 21, in the report. These schedules are misstated due to problems which are discussed in the auditor's opinion. The reader should use caution when using the financial information in these schedules.

The opinion issued on the financial schedules listed in paragraph 9, pages 21 and 22, in this report means that the schedules are reasonable and the user of this Statewide Budgeting and Accounting System (SBAS) information can rely on the information presented.

The financial schedules are prepared from SBAS without adjustments for errors noted during the audit. This is done to allow the reader to determine the degree of reliance that can be placed on SBAS information. In prior audits the financial schedules were presented after adjustments and the center was allowed to correct the errors noted prior to issuance of the auditor's opinion.

## Office of the Legislative Auditor

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-3122



SCOTT A. SEACAT  
LEGISLATIVE AUDITOR

## DEPUTY LEGISLATIVE AUDITORS:

JAMES GILLET  
FINANCIAL COMPLIANCE AUDITS

JIM PELLEGRINI  
PERFORMANCE AUDITS

## LEGAL COUNSEL:

JOHN W. NORTHEY

The Legislative Audit Committee  
of the Montana State Legislature:

We have examined the Schedule of Changes in Fund Balance; the Schedules of Revenue and Transfers In - Estimate and Actual; the Schedules of Program Expenditures and Transfers Out by Fund - Budget and Actual; the Schedules of Program Expenditures and Transfers Out by Object; and the Schedule of Additions and Deductions Agency Fund Assets of the Great Falls Vocational-Technical Center for the fiscal years ending June 30, 1984 and 1985. Our examination was made in accordance with generally accepted auditing standards and Standards for Audit of Governmental Organizations, Programs, Activities, and Functions and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1 to the financial schedules, the center's financial schedules are prepared in accordance with state accounting policy. Accordingly, the accompanying financial schedules are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Scholarships from various groups to center students were improperly recorded in the Restricted Subfund. As a result, fiscal year 1983-84 revenues are overstated by \$6,156 and expenditures are overstated by \$5,731 in the Restricted Subfund.

The center did not properly record interest income or scholarship payment activity related to an endowment the center re-

ceived. Revenues and expenditures in the Restricted Subfund are understated by the following amounts:

	<u>1983-84</u>		<u>1984-85</u>	
	Revenue	Expenditure	Revenue	Expenditure
Misstatement	1,783	1,000	1,796	1,000

The center did not accrue the expenditure to purchase equipment for which a valid obligation existed under state policy. Restricted Subfund expenditures in fiscal year 1983-84 are understated by \$2,669.

When recording a transaction in fiscal year 1983-84 the center overstated equipment expenditures and understated personal services expenditures by \$3,967 in the Restricted Subfund.

An instructor at the center also acts as the bookstore manager. No portion of the instructor's salary was allocated to the bookstore expenditures in fiscal year 1983-84. This results in personal services in the Auxiliary Fund in fiscal year 1983-84 being understated by \$3,547. Also Fund Balance at June 30, 1985, is overstated in the Auxiliary Fund by the same amount.

In our opinion, except for the effects of matters discussed in paragraphs three through seven, the financial schedules listed below present fairly the results of operations and the changes in fund balance of such funds of the Great Falls Vocational-Technical Center for each of the fiscal years ended June 30, 1984 and 1985, in conformity with the basis of accounting described in Note 1 which, except for the change, with which we concur, in the method of recording of Pell transactions, as described in Note 7 to the financial schedules, have been applied on a consistent basis.

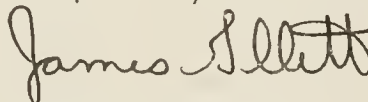
<u>Schedule Name</u>	<u>Fund-Subfund</u>	<u>Fiscal Year</u>
Schedule of Changes in Fund Balance	Current-Restricted Current-Auxiliary	Two fiscal years ended June 30, 1985
Schedule of Revenue and Transfers In - Estimate and Actual	Current-Restricted	1984
Schedule of Program Expenditures and Transfers Out by Fund - Budget and Actual	Current-Restricted Current-Auxiliary	1984 1984
Schedule of Program Expenditures and Transfers Out by Object	N/A	1984

In our opinion, the financial schedules listed below present fairly the results of operations and the changes in fund balance of such funds of the Great Falls Vocational-Technical Center for each of the fiscal years ended June 30, 1984 and 1985, in conformity with the basis of accounting described in Note 1 which, except for the change, with which we concur, in the method of recording of Pell transactions, as described in Note 7 to the financial schedules, have been applied on a consistent basis.

<u>Schedule Name</u>	<u>Fund-Subfund</u>	<u>Fiscal Year</u>
Schedule of Changes in Fund Balance	General Special Revenue Current-Unrestricted Current-Designated Endowment	Two fiscal years ended June 30, 1985
Schedule of Revenue and Transfers In - Estimate and Actual	General Special Revenue Current-Unrestricted Current-Restricted Current-Designated Current-Auxiliary	1985 1984, 1985 1984, 1985 1985 1984, 1985 1984, 1985
Schedule of Program Expenditures and Transfers Out by Fund - Budget and Actual	General Special Revenue Current-Unrestricted Current-Restricted Current-Designated Current-Auxiliary	1984, 1985 1984, 1985 1984, 1985 1985 1984, 1985 1985
Schedule of Program Expenditures and Transfers Out by Object	N/A	1985
Schedule of Additions and Deductions Agency Fund Assets	Agency	Two fiscal years ended June 30, 1985

Our examination was made for the purpose of forming an opinion on the basic financial schedules taken as a whole. The accompanying Schedule of Grant Receipts and Expenditures is presented for the purpose of additional analysis and the U.S. Department of Education reporting requirement and is not a required part of the basic financial schedules. Such information has been subjected to the tests and other auditing procedures applied in the examination of the basic financial schedules and except for the effects, if any, of the items discussed in paragraphs 3 through 7, is fairly stated in all material respects in relation to the basic financial schedules taken as a whole.

Respectfully submitted,



James Gillett, CPA  
Deputy Legislative Auditor

February 21, 1986

GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF CHANGES IN FUND BALANCE  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1985

	General Fund	Special Revenue Fund	Unrestricted Subfund	Restricted Subfund	Designated Subfund	Auxiliary Subfund	Endowment Fund
FUND BALANCE, July 1, 1983	\$ -0-	\$ -0-	\$ (33,853)	\$ 8,061	\$ 8,508	\$ 38,416	\$11,320
ADDITIONS:							
Fiscal Year 1983-84							
Budgeted Revenues & Transfers In		815,402	1,526,388	21,000			
Nonbudgeted Revenues & Transfers In			1,043	36,624	13,965	144,514	
Total Revenue & Transfers In		815,402	1,527,431	57,624	13,965	144,514	
Prior Year Revenue Adjustment				(158)			
Prior Year Transfers In Adjustment	46,884		(28,333)				
Prior Year Revenue				(3,022)			
Support From State of Montana	472,958						
Direct Entry to Fund Balance	70,367		67,981				
Fiscal Year 1984-85							
Budgeted Revenue & Transfers In		791,057	1,718,955				
Nonbudgeted Revenue & Transfers In	2,067		1,172	193,480	13,323	140,295	
Total Revenue & Transfers In	2,067	791,057	1,720,127	193,480	13,323	140,295	
Prior Year Revenue Adjustments				(306)			
Prior Year Transfers In Adjustment				811			
Prior Year Transfers In			(1,274)				
Support From State of Montana	758,350						
Direct Entry to Fund Balance			13,633				
Total Additions	1,350,626	1,606,459	3,299,565	248,429	27,288	284,809	-0-
REDUCTIONS:							
Fiscal Year 1983-84							
Budgeted Expenditures & Transfers Out	590,209	815,402	1,535,367	19,626			
Nonbudgeted Expenditures & Transfers Out			643	37,647	18,898	128,761	
Total Expenditures & Transfers Out	590,209	815,402	1,536,010	57,273	18,898	128,761	
Prior Year Expenditure Adjustment			2,426	(1,119)			
Direct Entries to Fund Balance				1,472	6	3,802	
Fiscal Year 1984-85							
Budgeted Expenditures & Transfers Out	748,057	791,057	1,718,994				
Nonbudgeted Expenditures & Transfers Out			4,123	194,842	12,354	144,486	
Total Expenditures & Transfers Out	748,057	791,057	1,723,117	194,842	12,354	144,486	
Prior Year Expenditure Adjustment			3,438	(225)			
Prior Year Transfers Out Adjustment	12,360			811			
Direct Entry to Fund Balance				351			
Total Reductions	1,350,626	1,606,459	3,264,991	253,405	31,258	277,049	\$ -0-
FUND BALANCE, June 30, 1985	\$ -0-	\$ -0-	\$ 721	\$ 3,085	\$ 4,538	\$ 46,176	\$11,320

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules on pages 31 through 35.





GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF REVENUE AND TRANSFERS IN  
ESTIMATE AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>Taxes</u>	<u>Service Fees</u>	<u>Reimbursements</u>	<u>Investment Earnings</u>	<u>Rentals, Leases, &amp; Royalties</u>	<u>Gifts, Bequests, &amp; Donations</u>	<u>Sale of Documents, Merchandise, &amp; Property</u>	<u>Federal Assistance</u>	<u>Transfers</u>	<u>Miscellaneous</u>	<u>Totals</u>
<b>GENERAL FUND</b>											
Estimated Revenue & Transfers In	\$ -0-										\$ -0-
Actual Revenue & Transfers In	2,067										2,067
Collections Over(under) Estimate	<u>\$ 2,067</u>										<u>\$ 2,067</u>
<b>SPECIAL REVENUE FUND</b>											
Estimated Revenue & Transfers In	\$147,283	\$271,090	\$236,910						\$ 147,630		\$ 802,903
Actual Revenue & Transfers In	147,283	251,995	244,149						147,630		791,057
Collections Over(under) Estimate	<u>\$ -0-</u>	<u>\$ (19,095)</u>	<u>\$ 7,239</u>						<u>\$ -0-</u>		<u>\$ (11,856)</u>
<b>FRONT FUNDS:</b>											
<b>Unrestricted Subfund</b>											
Estimated Revenue & Transfers In	\$237,000				\$-0-			\$ -0-	\$ 2,956,536		\$ 3,193,536
Actual Revenue & Transfers In	180,000				605			567	1,548,955		1,729,127
Collections Over(under) Estimate	<u>\$ (57,000)</u>				<u>\$ 605</u>			<u>\$ 567</u>	<u>\$ (1,407,581)</u>		<u>\$ (1,407,581)</u>
<b>Restricted Subfund</b>											
Estimated Revenue & Transfers In		\$ -0-		\$-0-				\$ -0-			\$ -0-
Actual Revenue & Transfers In		53		620				159,147			193,480
Collections Over(under) Estimate		<u>\$ 53</u>		<u>\$ 620</u>				<u>\$ 159,147</u>			<u>\$ 193,480</u>
<b>Designated Subfund</b>											
Estimated Revenue & Transfers In	\$ -0-							\$ -0-			\$ -0-
Actual Revenue & Transfers In	7,590							5,733			13,323
Collections Over(under) Estimate	<u>\$ 7,590</u>							<u>\$ 5,733</u>			<u>\$ 13,323</u>
<b>Auxiliary Subfund</b>											
Estimated Revenue & Transfers In								\$ -0-			\$ -0-
Actual Revenue & Transfers In								140,295			140,295
Collections Over(under) Estimate								<u>\$ 140,295</u>			<u>\$ 140,295</u>

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules on pages 31 through 35.



GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF REVENUE AND TRANSFERS IN  
ESTIMATE AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1984

	<u>Taxes</u>	<u>Service Fees</u>	<u>Reimbursements</u>	<u>Investment Earnings</u>	<u>Rentals, Leases, &amp; Royalties</u>	<u>Grants, Gifts, Requests, &amp; Donations</u>	<u>Sale of Documents, Merchandise, &amp; Property</u>	<u>Federal Assistance</u>	<u>Transfers</u>	<u>Miscellaneous</u>	<u>Totals</u>
<b>SPECIAL REVENUE FUND</b>											
Estimated Revenue & Transfers In	\$143,931	\$241,065	\$236,910						\$ 182,652		\$ 804,558
Actual Revenue & Transfers In	<u>143,931</u>	<u>241,065</u>	<u>247,754</u>						<u>182,652</u>		<u>815,402</u>
Collections Over(under) Estimate	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 10,844</u>						<u>\$ -0-</u>		<u>\$ 10,844</u>
<b>CURRENT FUNDS:</b>											
<b>Unrestricted Subfund</b>											
Estimated Revenue & Transfers In	\$174,000				\$ -0-			\$ -0-	\$1,431,544		\$1,605,544
Actual Revenue & Transfers In	<u>135,000</u>				<u>644</u>			<u>399</u>	<u>1,391,388</u>		<u>1,527,431</u>
Collections Over(under) Estimate	<u>\$(39,000)</u>				<u>\$ 644</u>			<u>\$ 399</u>	<u>\$ (40,156)</u>		<u>\$ (78,113)</u>
<b>Restricted Subfund</b>											
Estimated Revenue & Transfers In			\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-			\$ -0-
Actual Revenue & Transfers In			<u>3,277</u>	<u>271</u>	<u>11,391</u>		<u>6</u>	<u>42,679</u>			<u>57,624</u>
Collections Over(under) Estimate			<u>\$ 3,277</u>	<u>\$ 271</u>	<u>\$11,391</u>		<u>\$ 6</u>	<u>\$42,679</u>			<u>\$ 57,624</u>
<b>Designated Subfund</b>											
Estimated Revenue & Transfers In		\$ -0-					\$ -0-				\$ -0-
Actual Revenue & Transfers In		<u>9,050</u>					<u>4,915</u>				<u>13,965</u>
Collections Over(under) Estimate		<u>\$ 9,050</u>					<u>\$ 4,915</u>				<u>\$ 13,965</u>
<b>Auxiliary Subfund</b>											
Estimated Revenue & Transfers In							\$ -0-				\$ -0-
Actual Revenue & Transfers In							<u>144,514</u>				<u>144,514</u>
Collections Over(under) Estimate							<u>\$144,514</u>				<u>\$ 144,514</u>

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules on pages 31 through 35.



**SPECIAL FALLS VOCATIONAL-TECHNICAL CENTER**  
**CHARGE OF PROGRAM EXPENDITURES AND TRANSFERS OUT BY FUND**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1985**

	<u>Instruction</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Plant Operation &amp; Maintenance</u>	<u>Scholarships and Fellowships</u>	<u>Auxiliary Enterprises</u>	<u>Agency</u>	<u>State Fund Transfers</u>	<u>Totals</u>
<b>GENERAL FUND</b>										
Budget	\$ 3,227							\$ 147,898		\$ 151,125
Actual										
Operating Expenses	159									159
Transfer								747,898		747,898
Total Actual	159							747,898		748,057
Unapport Appropriation Authority	\$ 3,118							-0-		\$ 3,118
<b>SPECIAL REVENUE FUND</b>										
Budget								\$ 810,147		\$ 810,147
Actual										
Transfer								791,057		791,057
Total Actual								791,057		791,057
Unapport Appropriation Authority								\$ 19,085		\$ 19,085
<b>PERMANENT FUNDS</b>										
Restricted Subfund										
Budget										\$ 1,195,060
Actual										
Personel Services	883,110	171,909	116,038	109,084	95,644					1,375,865
Operating Expenses	113,214	59,032	15,931	8,428	92,904					289,419
Equipment	46,694	10,000			3,021					57,695
Capital Outlay										
Total Actual	1,042,958	240,941	131,969	117,512	191,569					1,523,959
Unapport Appropriation Authority	\$ 83,683	\$ 1,472	\$ 2,273	\$ 3,245	\$ 7,756					\$ 11,939
Restricted Subfund										
Budget	\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-		\$ -0-		\$ -0-
Actual										
Personel Services	677	5,465	2,682		1,200		129			10,133
Operating Expenses	5,112	811	2,422				4,361			13,366
Equipment	18,861		325							19,186
Transfer	3,361						148,366			152,157
Total Actual	27,911	6,276	3,009		1,200		153,856			190,252
Unapport Appropriation Authority	\$ 72,013	\$ (6,296)	\$ (5,629)		\$ (1,200)	\$ (152,856)		\$ (420)		\$ (190,252)
Designated Subfund										
Budget	\$ -0-	\$ -0-	\$ -0-							\$ -0-
Actual										
Operating Expenses	5,675	231	1,784							7,710
Equipment			6,664							6,664
Total Actual	5,675	231	8,448							14,358
Unapport Appropriation Authority	\$ (5,675)	\$ (231)	\$ (6,628)							\$ (12,534)
<b>AUXILIARY FUND</b>										
Budget							\$ -0-			\$ -0-
Actual										
Personel Services							31,211			31,211
Operating Expenses							110,454			110,454
Equipment							2,821			2,821
Total Actual							144,486			144,486
Unapport Appropriation Authority							\$ (144,486)			\$ (144,486)
<b>GRAND TOTAL</b>										
Budget	\$ 1,804,918	\$ 242,565	\$ 134,242	\$ 120,757	\$ 190,813	\$ -0-	\$ -0-	\$ -0-	\$ 1,558,010	
Actual										
Personel Services	883,247	177,474	118,720	109,084	96,844	124	31,211			1,217,600
Operating Expenses	124,959	60,094	20,137	8,428	92,904		110,454			316,976
Equipment	63,254	16,088	4,969		3,021		2,821			83,153
Capital Outlay										
Transfer	3,361						148,366			151,727
Total Actual	1,074,821	253,656	143,826	117,512	192,769		292,852			1,561,536
Unapport Appropriation Authority	\$ 36,455	\$ (5,071)	\$ (8,586)	\$ 3,245	\$ (1,956)	\$ (152,856)	\$ (144,486)	\$ (420)		\$ (190,252)

The accounting policy requires that all operating expenditures for vocational-technical centers be recorded in funds other than the Special Revenue Funds. These General Fund expenses should be recorded in the Institutional Support program in the Restricted Subfund.

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial statements on pages 31 through 35.



**GREAT FALLS VOCATIONAL-TECHNICAL CENTER**  
**SCHEDULE OF PROGRAM EXPENDITURES AND TRANSFERS OUT BY FUND**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1984**

	<u>Institution</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Plant Operation &amp; Maintenance</u>	<u>Scholarships and Fellowships</u>	<u>Auxiliary Enterprises</u>	<u>Agency</u>	<u>*Rate Fund Transfers</u>	<u>Totals</u>
<b>GENERAL FUND</b>										
budget	\$ 17,500							\$ 616,142		\$ 633,642
actual	14,273								14,273	
Operating Expenses								575,986		575,986
Transfers								575,986		575,986
Total Actual	14,273							575,986		590,259
Percent Appropriation Authority	\$ 3,227							\$ 40,156		\$ 43,383
<b>SPECIAL REVENUE FUND</b>										
budget								\$ 815,402		\$ 815,402
actual										
Transfers								815,402		815,402
Total Actual								815,402		815,402
Percent Appropriation Authority								\$ -0-		\$ -0-
<b>TRUST FUNDS</b>										
restricted Subfund										
budget	\$ 980,412	\$190,561	\$120,664	\$91,521	\$185,386					\$1,578,544
actual	813,373	121,360	103,027	84,781	90,866					1,213,367
Personal Services	10,504	62,339	18,239	2,479	90,344					275,924
Operating Expenses	64,715	2,004								66,719
Equipment										
Capital Outlay										
Total Actual	980,552	185,722	121,268	87,260	181,710					1,536,610
Percent Appropriation Authority	\$ 20,860	\$ 4,839	\$ (603)	\$ 4,261	\$ 4,176					\$ 42,533
unrestricted Subfund										
budget	\$ 23,796	\$ -0-	\$ -0-		\$ -0-	\$ -0-		\$ -0-		\$ 23,796
actual										
Personal Services	10,712	6,244	2,760		1,778					21,474
Operating Expenses	4,253	150	874							10,150
Equipment	8,386									8,386
Transfers	3,872									3,872
Total Actual	27,223	6,394	3,634		1,778			1,859		39,888
Percent Appropriation Authority	\$ (3,627)	\$ (6,394)	\$ (3,634)		\$ (1,778)	\$ (18,403)		\$ (1,859)		\$ (33,477)
unrestricted Subfund										
budget	\$ -0-	\$ -0-	\$ -0-							\$ -0-
actual										
Operating Expenses	4,241	825	3,373							8,439
Equipment	4,241									4,241
Total Actual	4,241	825	3,373							8,439
Percent Appropriation Authority	\$ (4,241)	\$ (825)	\$ (3,373)							\$ (8,439)
<b>PLANT FUND</b>										
budget	\$1,011,709	\$190,561	\$120,664	\$91,521	\$185,386					\$1,599,841
actual										
Operating Expenses	64,715	121,360	103,027	84,781	90,866					364,754
Equipment	53,101	83,341	22,686	2,479	90,344					252,551
Capital Outlay		2,004								2,004
Total Actual	117,816	206,705	125,713	87,260	181,210					613,504
Percent Appropriation Authority	\$ 25,469	\$ (2,380)	\$ (18,038)	\$ 4,261	\$ 2,298	\$ (18,403)		\$ (1,859)		\$ 40,156

The accounting policy requires that all operating expenditures for vocational-technical centers be recorded in fund 1, other than for Special Revenue Funds. These General Fund expenses should be recorded in the Institutional Support program in the unrestricted Subfund.

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial statements on pages 31 through 35.





GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF PROGRAM EXPENDITURES AND TRANSFERS OUT BY OBJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Instruction	Academic Support	Student Services	Institutional Support	Plant Operation & Maintenance	Scholarships and Fellowships	Auxiliary Enterprises	State Fund Transfers	Agency	Totals
<b>PERSONAL SERVICES</b>										
Salaries	\$ 728,385	\$141,270	\$ 96,073	\$ 90,137	\$ 677		\$ 4,333			\$1,060,875
Hourly Wage	2,673	5,485	2,682		74,039	\$ 129	20,642			105,650
Employee Benefits	152,689	30,719	19,965	18,947	22,128		6,236			250,684
Total Personal Services	<u>883,747</u>	<u>177,474</u>	<u>118,720</u>	<u>109,084</u>	<u>96,844</u>	<u>129</u>	<u>31,211</u>			<u>1,417,209</u>
<b>OPERATING EXPENSES</b>										
Contracted Services	1,809	20,693	1,835	234	754		201			25,526
Supplies and Materials	65,569	29,010	2,350	1,116	6,102		23,655			127,802
Communications		1,500	10,455		10,693		56			22,704
Travel	5,516	1,912	3,027	1,867	675					12,997
Rent	14,220	238	1,232							15,690
Utilities					62,460					62,460
Repair and Maintenance	24,419	5,088	242		9,982		38			39,769
Other Expenses	7,751	1,653	996	5,211	2,238	4,361	(3,012)			19,198
Goods Purchased for Resale	5,675						89,516			95,191
Total Operating Expenses	<u>124,959</u>	<u>60,094</u>	<u>20,137</u>	<u>8,428</u>	<u>92,904</u>	<u>4,361</u>	<u>110,454</u>			<u>421,337</u>
<b>EQUIPMENT</b>										
Equipment	63,356	10,088	4,969		3,021		2,821			84,255
Capital Leases - Equipment										
Total Equipment	<u>63,356</u>	<u>10,088</u>	<u>4,969</u>		<u>3,021</u>		<u>2,821</u>			<u>84,255</u>
<b>GRANTS</b>										
From State Sources										
From Federal Sources		148				148,366				148,514
From Other Sources		3,213							\$430	3,643
Total Grants		<u>3,361</u>				<u>148,366</u>			<u>430</u>	<u>152,157</u>
<b>MANDATORY TRANSFERS</b>								\$1,538,955		1,538,955
<b>TOTAL PROGRAM EXPENDITURES AND TRANSFERS OUT</b>	<u>\$1,075,423</u>	<u>\$247,656</u>	<u>\$143,826</u>	<u>\$117,512</u>	<u>\$192,769</u>	<u>\$152,856</u>	<u>\$144,486</u>	<u>\$1,538,955</u>	<u>\$430</u>	

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules on pages 31 through 35.



GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF PROGRAM EXPENDITURES AND TRANSFERS OUT BY OBJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1984

	<u>Instruction</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Plant Operation &amp; Maintenance</u>	<u>Scholarships and Fellowships</u>	<u>Auxiliary Enterprises</u>	<u>Agency</u>	<u>State Fund Transfers</u>	<u>Totals</u>
PERSONAL SERVICES										
Salaries	\$ 684,992	\$ 97,062	\$ 85,025	\$ 69,909	\$ 597					\$ 937,585
Hourly Wage	465	6,244	3,424		71,501		\$ 18,204			99,838
Employee Benefits	138,588	24,298	17,318	14,872	20,546		4,795			220,417
Total Personal Services	<u>824,045</u>	<u>127,604</u>	<u>105,767</u>	<u>84,781</u>	<u>92,644</u>		<u>22,999</u>			<u>1,257,840</u>
OPERATING EXPENSES										
Contracted Services	14,323	15,097	1,324	280			10,407			41,431
Supplies and Materials	61,785	39,083	4,678		6,934		9,818			122,298
Communications		1,801	9,459	902	7,764					19,926
Travel	5,778	1,016	785		466					8,045
Rent	14,952	1,225	5,421							21,598
Utilities					53,773					53,773
Repair and Maintenance	19,098	3,708		1,297	19,071					43,174
Other Expenses	5,045	1,413	819		2,336	\$ 4,873	(8,643)			5,843
Goods Purchased for Resale	4,240						90,785			95,025
Total Operating Expenses	<u>125,221</u>	<u>63,343</u>	<u>22,486</u>	<u>2,479</u>	<u>90,344</u>	<u>4,873</u>	<u>102,367</u>			<u>411,113</u>
EQUIPMENT	<u>53,101</u>	<u>2,004</u>	<u>10,449</u>				<u>3,395</u>			<u>68,949</u>
GRANTS										
From Federal Sources	380					11,532				11,912
From Other Sources	<u>3,492</u>							\$1,859		<u>5,351</u>
Total Grants	<u>3,872</u>					<u>11,532</u>		<u>1,859</u>		<u>17,263</u>
GRANTING ENTITY TRANSFERS									\$1,391,388	<u>1,391,388</u>
TOTAL PROGRAM EXPENDITURES AND TRANSFERS OUT	<u>\$1,006,239</u>	<u>\$192,951</u>	<u>\$138,702</u>	<u>\$87,260</u>	<u>\$182,988</u>	<u>\$16,405</u>	<u>\$128,761</u>	<u>\$1,859</u>	<u>\$1,391,388</u>	

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules on pages 31 through 35.



GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF ADDITIONS AND DEDUCTIONS  
AGENCY FUND ASSETS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1985

	Agency Fund Additional Voted Millage	Agency <sup>1</sup> Fund Clearing	Agency Fund <sup>2</sup> All Other
Asset Balance, July 1, 1983	\$ -0-	\$ 25,648	\$ 5,100
Additions:			
Fiscal Year 1984	158,405	325,494	112,656
Fiscal Year 1985	187,000	340,203	12,110
Total Additions	<u>345,405</u>	<u>665,697</u>	<u>124,766</u>
Deductions:			
Fiscal Year 1984	158,405	351,142	112,647
Fiscal Year 1985	137,000	343,163	15,462
Total Deductions	<u>295,405</u>	<u>694,305</u>	<u>128,109</u>
Asset Balance, June 30, 1985	<u>\$ 50,000</u>	<u>\$ (2,960)</u>	<u>\$ 1,757</u>

<sup>1</sup>This includes Departmental Federal Assistance Financing System.

<sup>2</sup>This includes Student Government, Student Newspaper, Health Liability Insurance, Vocational Industrial Club of America, and Pell Grant (see Note 7 on Pell Grant activity).

These schedules are prepared from the Statewide Budgeting and Accounting System. Additions and deductions represent all debits and credits, respectively, to asset account balances, including conversion of assets from one form to another (e.g., conversion of a receivable to cash). Additions and deductions to assets are not comparable to cash receipts and disbursements. Additional information is provided in the notes to the financial schedules on pages 31 through 35.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER

NOTES TO FINANCIAL SCHEDULES

FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The state of Montana uses the modified accrual basis of accounting which is described in the Montana Operations Manual except for the funds of Higher Educational units which are reported on the accrual basis of accounting.

Under the modified accrual basis and the accrual basis of accounting, a valid obligation exists when the related liability is incurred except for the following items which are also considered valid obligations under state accounting policy.

- If the appropriation provided funds to complete a given project, the entire amount of a contract may be accrued even though the services are rendered in fiscal years subsequent to the fiscal year in which the expenditure is accrued.
- The anticipated cost of equipment is expensed in the fiscal year in which budgeted.
- Goods ordered, but not received as of the fiscal year-end, may be accrued if the purchase order was issued in the fiscal year in which the anticipated expenditure is to be accrued.

B. Basis of Presentation

The financial schedules are prepared from the Statewide Budgeting and Accounting System without adjustments. Accounts are organized on the basis of funds according to state law. The following funds are used by the center:

GENERAL FUND - Used to record state General Fund support for the vocational-technical center and transfers of these moneys to the Current Unrestricted Subfund.

SPECIAL REVENUE FUND - Used to record moneys received from the Office of Public Instruction and transferred to the Current Unrestricted Subfund. Revenue recorded in the

Special Revenue Fund is also recorded as revenue in the Current Unrestricted Subfund. Due to the state's system for accounting for Special Revenue Fund revenues, these revenues are recorded twice on the Schedule of Revenue and Transfers In, once in the Special Revenue Fund, and again in the Current Unrestricted Subfund.

CURRENT FUNDS - Includes economic resources expendable for instruction, public service, and the allied support programs. The Current Fund is divided into four subfunds as follows:

Unrestricted Subfund - are funds received for which no stipulation was made by the donor or other external agency as to the purposes for which they should be expended.

Restricted Subfund - are funds available for financing operations which are limited by donors and other external agencies to specific purposes, programs, departments, or schools.

Designated Subfund - identifies financial activities related to special organized activities of educational programs wherein they are fully supported by supplemental assessments, and tracks special supplies and facilities fees that are approved for collection beyond normal course fees.

Auxiliary Subfund - exists to furnish goods or services to students, faculty, or staff through a fee charged for the cost, although not necessarily equal to the cost of the goods or services. The revenues are derived directly from the operation of the auxiliary enterprise itself.

AGENCY FUND - Include resources held by the center as custodian or fiscal agent for individual students, faculty, staff members, and organizations.

ENDOWMENT FUND - Donated funds which are invested in an interest bearing account using only the interest for scholarships to students.

## 2. GENERAL FUND BALANCE

The General Fund is a Statewide Fund. Agencies do not have a separate General Fund since their only authority is to pay obligations from the Statewide General Fund as long as they stay

within their appropriation limits. Thus, on an agency schedule the beginning and ending fund balance will always be zero.

### 3. BUDGET INFORMATION

The center uses a fixed basis of budgeting. Appropriations of specific dollar amounts are set in the General and Special Revenue Funds for each fiscal year in a biennium by the Legislature. Appropriations control the financial operations of the center's General and Special Revenue Funds each fiscal year. At fiscal year-end, appropriations (with the exception of continuing appropriations) revert to the fund of original appropriation. The reverted appropriation balance may be used in the subsequent year as authorization for valid prior year obligations.

Budget amendments represent the authorization to spend funds not available for consideration by the Legislature but available from sources other than General Fund. Budget amendments are approved by the Governor's Office of Budget and Program Planning.

The center has established an administrative appropriation for budgetary control in the Current Unrestricted Subfund. Financial activity in the center's other funds and subfunds is not budgeted, as is allowed by state law.

### 4. LIABILITY FOR COMPENSATED ABSENCES

Employees for the center accumulate both vacation and sick leave. Qualifying classified employees are paid for 100 percent of unused vacation and 25 percent of unused sick leave credits upon termination. Certified employees receive lump sum payments in accordance with contract provisions. Accumulated unpaid liabilities for vacation and sick leave are not reflected in the financial schedules of the center. Expenditures for termination pay currently are absorbed in the annual operating costs of the center. At June 30, 1985, the center had a liability of \$13,556 for vacation leave and \$19,753 for sick leave.



## 5. PENSION PLAN

Employees are covered by the Montana Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS). The center's contribution to these plans is shown below.

	<u>Fiscal Year</u> <u>1984-85</u>	<u>Fiscal Year</u> <u>1983-84</u>
PERS	\$12,798	\$10,114
TRS	66,606	59,212

## 6. STUDENT FTEs

GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF FULL-TIME EQUIVALENT (FTE) STUDENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1985

<u>Quarter</u>	<u>Year</u>	<u>Contact Hours</u>	<u>Reported<sup>1</sup> FTEs</u>
Summer	1983	53,275	159.84
Fall	1983	137,892	413.72
Winter	1984	121,051	363.19
Spring	1984	127,332	382.02
Summer	1984	59,674	179.04
Fall	1984	119,076	357.26
Winter	1985	111,504	334.51
Spring	1985	113,910	341.74

<sup>1</sup> This is the reported student contact hours divided by 333.3 contact hours as required by section 10.41.101 ARM, to determine full-time equivalent (FTE) enrollment.

## 7. ACCOUNTING FOR PELL ACTIVITY

During fiscal year 1983-84 the center recorded financial activity for Pell grants in the Agency Fund, in accordance with state accounting policy. State accounting policy changed in fiscal year 1984-85, and the center started recording Pell activity in the Restricted Fund in accordance with the new policy during that fiscal year.

## 8. CENTER TRANSFERS

The center initially records most of its revenues in the General and Special Revenue Funds. It then transfers most of these moneys to the Current Unrestricted Subfund from which the funds are expended. As shown below, the center's financial activity appears to be \$1,391,388 and \$1,538,955 higher than it actually is in fiscal years 1983-84 and 1984-85, respectively, due to these transfers.

	<u>Fiscal Year</u> <u>1984-85</u>	<u>Fiscal Year</u> <u>1983-84</u>
Budgeted Expenditures and Transfers Out:		
General Fund	\$ 748,057	\$ 590,209
Special Revenue Fund	<u>791,057</u>	<u>815,402</u>
Total Budgeted Expenditures and Transfers Out	1,539,114	1,405,611
Less General Fund Budgeted Expenditures	<u>159</u>	<u>14,223</u>
Current Unrestricted Subfund Budgeted Transfers In	<u>\$1,538,955</u>	<u>\$1,391,388</u>

## 9. RELATED PARTY TRANSACTIONS

The building the center is occupying is reported on the school district's financial statements. The district maintains the insurance on the building, as well as major maintenance. The center is not required to pay the school district for the use of the building, insurance, or maintenance.

Payroll is processed by the district and the processing charges are not billed to the center. The district bills the center for the center's payroll expenditures.

## 10. INSURANCE

The center is insured by Great Falls School District #1 and Montana's self-insurance program, which is administered by the Department of Administration.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER  
SCHEDULE OF GRANT RECEIPTS AND EXPENDITURES  
FOR FISCAL YEARS ENDED JUNE 30, 1984 AND 1985

Grant Source and Name	Grant Number	Fiscal Year Ended June 30, 1984		Fiscal Year Ended June 30, 1985	
		Receipts	Expenditures	Receipts	Expenditures
DIRECT GRANTS					
U.S. Department of Education					
Library Grant	G008351153	\$ 890	\$ 79	\$ -0-	\$ 811
College Work Study	P008412418	9,007	11,226		
	P008512418			9,700	9,506
Pell Grants	P008406762	95,851	95,851		
	P008506762			149,595	136,877
Supplemental Educa- tional Opportunity Grant	P008442418/P008432418	11,532	11,532		
	P008542418/P008532418			11,689	11,689

Grant Source and Name	Grant Number	Receipts for Fiscal Year Ended June 30, 1984 June 30, 1985	
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SUBGRANTS

Montana Office of Public Instruction  
Basic Vocational Education

Act Grant		\$247,754	\$244,142
Interpreter Grant	84-6101-04-19-17-H249	362	-0-
	85-6101-04-19-17-H276	-0-	701
Respiratory Technology Grant		21,000	-0-
IV Therapy Grant	84-6101-04-19-17-C619	3,277	-0-
Satellite Dish Grant	85-C631	-0-	9,701
General Access Grant	85-6101-04-19-17-H273	-0-	-0-
Guidance Grant	84-6101-06-21-17-G725	-0-	3,879
Career Assessment Grant	85-6101-06-21-17-G750	-0-	11,000

Teacher Development Grants\*

Phoenix	0004	-0-	432
Professional Development	0006	-0-	634
Montana Writing Project	0015	-0-	457
Professional Development	0021	-0-	774

Commissioner of Higher Education

State Student Incentive Grants		4,873	4,361
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Other

Director of Vo-Tech Scholarship			1,552
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\*This category includes three professional development grants not shown here as they had no receipts in fiscal year 1983-84 or 1984-85. Collectively they had expenditures of \$2,158.



CENTER RESPONSE



GREAT FALLS  
VOCATIONAL-TECHNICAL  
CENTER

WILLARD R. WEAVER - DIRECTOR

(406) 791-2100

2100 16TH AVENUE SOUTH

GREAT FALLS, MONTANA 59405

RECEIVED

MAY 16 1986

MONTANA LEGISLATIVE AUDITOR

May 15, 1986

Mr. James H. Gillett  
Deputy Legislative Auditor  
Office of Legislative Auditor  
State Capitol  
Helena, Montana  
59620

Dear Mr. Gillett:

Attached are our responses to the recommendations made in the Financial Compliance Audit for the two fiscal years ended June 30, 1986.

Thank you for the opportunity to review and respond to the audit. We consider an audit as a device to measure present operations as well as a tool to improve the school's operation.

Sincerely,



Willard R. Weaver

mb



RESPONSE

GREAT FALLS VO-TECH CENTER

AUDIT

FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1986

Recommendation #1

The center:

A. Record scholarships in the proper fund.

1A. Response: Concur.

Scholarships have been removed from the Current Restricted Subfund. As they are received they will be recorded in the Agency Fund.

B. Record the activity for professional development grants in the proper subfunds.

1B. Response: Concur.

When professional development grants are received, they will be recorded in the Current Restricted Subfund.

Recommendation #2

The center consistently comply with state policy for accrual of expenditures.

2. Response: Concur.

All accruals will be made in accordance with the state policy.

Recommendation #3

The center establish procedures to ensure endowment fund activity is recorded on SBAS

3. Response: Concur.

A memo was sent to the Assistant Superintendent of Business of the Great Falls Public Schools (see attachment A) which outlines a suggested reporting procedure.

Recommendation #4

The center allocate the bookstore manager's salary to auxiliary fund operations.

4. Response: Concur.

We will continue the allocation based on the instructor's time in the bookstore. The allocation will be recorded in the auxiliary fund.

Recommendation #5

The center:

A. Take complete physical inventory of all equipment at least every two years.

5A. Response: An inventory will be taken during May 1986, following the guidelines given by the legislative auditors.

B. Record all equipment with a value greater than \$200 on PAMS.

5B. Response: A memo describing the procedure to be used for inventory control (see attachment B) has been sent to individuals responsible to ensure that items of \$200 or more will be recorded on PAMS.

C. Implement procedures to ensure all equipment purchased is evaluated to determine if it should be recorded on PAMS.

5C. Response: Again, the procedure (see attachment B) has been implemented and are being followed.

D. Comply with property management standards issued by the federal government for property acquired with federal funds.

5D. Response: Concur.  
The Federal requirements will be met.

Recommendation #6

The center compute a student's cost of education on an academic year.

6. Response: Concur.

We are in the process of developing procedures to accurately compute costs of education.

Recommendation #7

The center compute awards based on students' scheduled attendance.

7. Response: Concur.

A memo to all faculty (see attachment C) outlining attendance policies for the next academic year will be distributed. This will require the staff to notify the office of any excessive student absenteeism. This will provide an accurate and up-to-date schedule of students.

Recommendation #8

The center obtain and review financial aid transcripts for students who indicate previous attendance at another post-secondary institution.

8. Response: Concur

We will use the SARA financial aid software package and a team of financial aid people to administer financial aid. Letter of request for transcript will be maintained in the student file.

Recommendation #9

The center ensure the GSL application is adequately supported by documentation in the student's file.

9. Response: Concur.

Here again, the software package should eliminate this problem.

Recommendation #10

The center establish procedures to ensure lenders are notified within 60 days when a GSL recipient's enrollment status changes.

10. Response: Concur.

The policy of faculty reporting absences to the Student Services Office (see attachment C) should help us to notify the lending institutions in a timely manner.

Recommendation #11

The center:

A. Institute cash management policies to eliminate excessive cash balances.

11.A. Response: Concur.

The SARA software package should manage cost needs also.

B. Determine eligibility for letter-of-credit status with the Department of Education and, if eligible, obtain a letter-of-credit for student financial aid programs.

11.B. Response: Concur.

We have written for information to be a letter-of-credit institution (see attachment D) as yet have not received a reply from the U.S. Department of Education.

James H. Gillett  
May 15, 1986  
Page 4

Recommendation #12

The center recover the maximum allowable administration costs of student financial aid programs from federal sources to the fullest extent possible.

12. Concur.

The timing of the administrative allowance has been changed from year end and to the beginning of the academic year. This should comply with the federal regulations governing administration allowances.

Recommendation #13

The center establish written agreements with all off-campus CWS employers.

13. Written agreements with off-campus employers have been secured.

# GREAT FALLS VOCATIONAL-TECHNICAL CENTER

WILLARD R. WEAVER - DIRECTOR

(406) 791-2100

2100 16TH AVENUE SOUTH

GREAT FALLS, MONTANA 59405

May 7, 1986

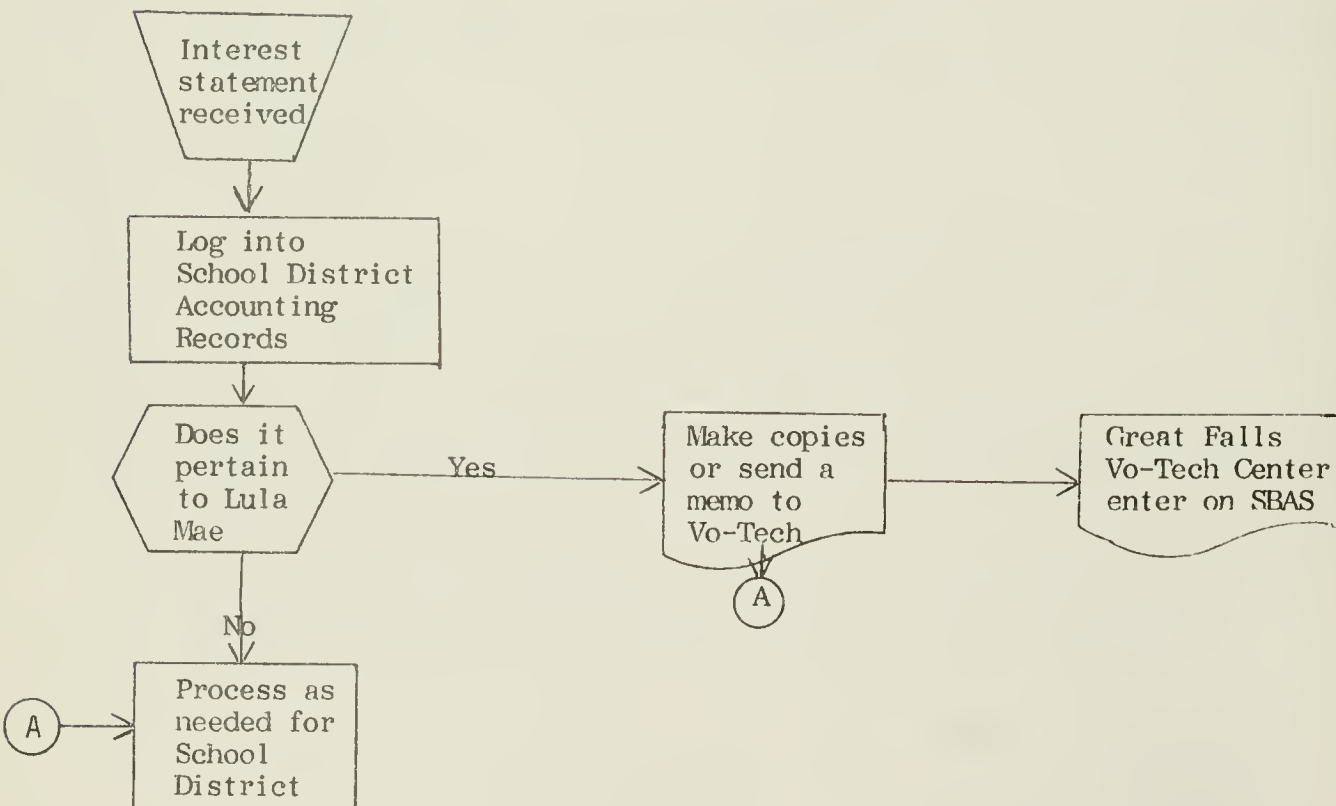
To: Ben Lamb  
Assistant Superintendent  
for Business

From: Willard R. Weaver *wrw*  
Director

Subject: Lula Mae Clay Endowment

The Great Falls Vo-Tech Center requires a monthly statement from the School District's Business Office for the earned interest on the Lula Mae Clay Endowment.

This should be done on a monthly basis and a yearly report of accrued interest and disbursements sent to the Vo-Tech Center as of June 30th each year.



mb

ATTACHMENT A

# GREAT FALLS VOCATIONAL - TECHNICAL CENTER

WILLARD R. WEAVER - DIRECTOR

(406) 791-2100

2100 16TH AVENUE SOUTH

GREAT FALLS, MONTANA 59405

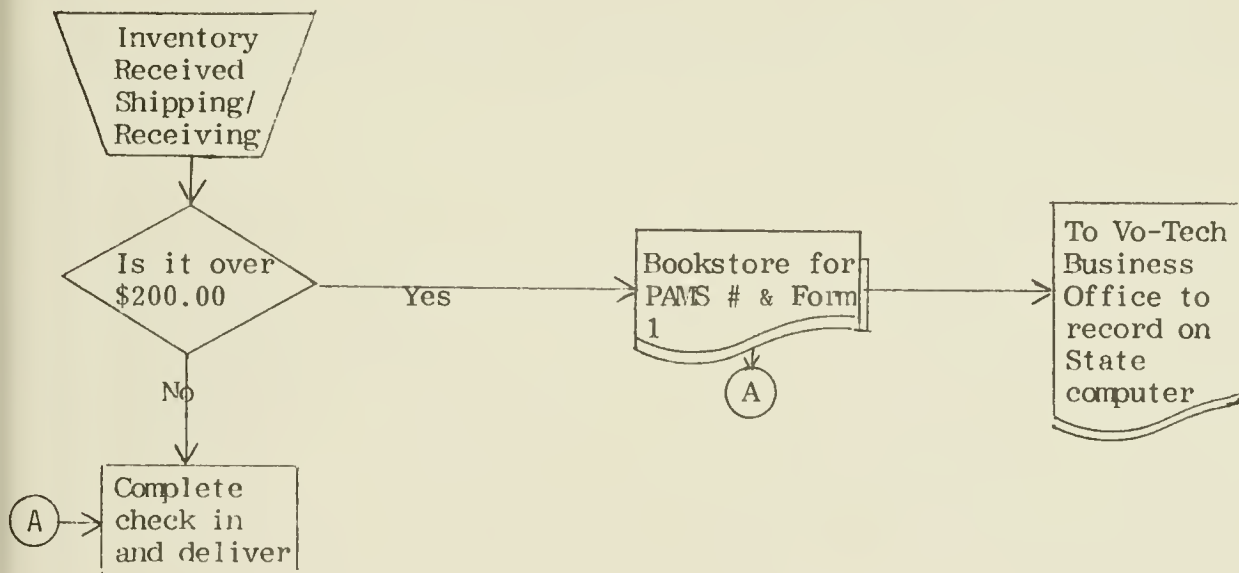
May 5, 1986

To: Bill Kakalecik  
Robbi Westphal  
Mary Ellen Baukol

From: Willard R. Weaver *wkw*  
Director

Subject: PAMS

As Inventory is received in shipping and receiving, if over \$200.00, it is to be taken to the bookstore clerk for a PAMS number and a Form 1 typed before it is delivered to the requisitioning department.



On a monthly basis the business office will record on the PARLS report the PAM number for applicable items.

mb

ATTACHMENT B

# GREAT FALLS VOCATIONAL - TECHNICAL CENTER

WILLARD R. WEAVER - DIRECTOR

(406) 791-2100

2100 16TH AVENUE SOUTH

GREAT FALLS, MONTANA 59405

To: All Faculty

From: Will Weaver

Re: Student Absenteeism

In order for us to better serve our students and maintain accurate records to comply with federal regulations this reporting must be maintained on a daily basis.

All instructors in the Great Falls Vo-Tech Center must take daily attendance in all their classes.

When a student has missed five consecutive days of school the student's name and class must be reported to the student services office.

In the event a student has missed a cumulative of ten days the student's name and class must be reported to the student services office.

ATTACHMENT C



GREAT FALLS  
VOCATIONAL - TECHNICAL  
CENTER

2100 16TH AVENUE SOUTH

GREAT FALLS, MONTANA 59405

February 27, 1986

Ms. Shirley Jackson  
Department of Education  
Director-Cash Outlay/Direct Payment  
P.O. Box 23809  
Elephant Plaza Station  
Washington D.C. 20026

Dear Ms. Jackson:

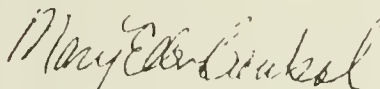
We are a small post-secondary vocational-technical school and currently on the monthly request for our Title IV money.

A recent audit of our school, by the State Legislative Auditors, brought out the possibility we could be on a letter of credit. If this is possible what would we need to do to have an electronic transfer via a computer terminal?

I would appreciate any information you may have along this line as soon as possible.

Thank you.

Sincerely,



Mary Ellen Baukol  
Accountant

mb

ATTACHMENT D





